

Agency: Commerce, Community and Economic Development**Project Title:**

Alaska Industrial Development and Export Authority - Ketchikan Shipyard Power Generation & Infrastructure Improvements

State Funding Requested: \$ 3,000,000
One-Time Need

House District: 1 - A**Brief Project Description:**

Development and acquisition of electrical power generation & management systems, wastewater treatment improvements and deferred maintenance at the State owned Ketchikan Shipyard.

Funding Plan:**Total Cost of Project: \$4,000,000**

	<u>Funding Secured</u>		<u>Other Pending Requests</u>		<u>Anticipated Future Need</u>	
	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>
Federal Funds	\$1,000,000	2003				
Total	\$1,000,000					

Detailed Project Description and Justification:

The 2007 Shipyard Master Plan identified several necessary safety and environmental projects that were not previously outlined in the shipyard's expansion and improvement planning documents. While the expansion and improvement of the shipyard's infrastructure began in 1999, a real master planning process wasn't developed until 2006.

This \$3.0 capital request has three project components:

\$1.0 Mill Upgrade Electrical Power Generation & Management Capacity (\$2.0 total with \$1.0 Fed Match)

\$0.5 Mill Wastewater Collection & Treatment (\$1.0 total with \$0.5 Federal EPA funds secured)

\$1.5 Mill Deferred Maintenance

Electrical Power Generation & Management Capacity: The power sales agreement the shipyard signed with Ketchikan Public Utilities in 2005 requires that the shipyard provide the local grid with standby power generation capacity in times of high energy use by the shipyard. While the sales agreement secured a favorable long-term electric rate from the utility it requires the shipyard upgrade it's standby power generation and management capabilities. This improved system will help off-set spikes in power usage by bringing on standby generation capacity.

Wastewater Collection & Treatment: The U.S. Environmental Protection Agency (EPA) has determined that in order to bring additional dry dock capacity on-line, the shipyard will require an improved industrial wastewater collection and treatment system. Project costs are estimated at \$1.0 million, with \$500,000 already available in the form of an federal EPA grant.

Deferred Maintenance: Maintenance and refurbishment of existing shipyard infrastructure, to include the drydock, and installation of an enhanced corrosion control system for civil marine structures.

Project Timeline:

This project can be completed within 2 years of funding award.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

Alaska Ship & Drydock, Inc.

Grant Recipient Contact Information:

Contact Name: Doug Ward, Development Director

Phone Number: (907) 225-7199 Ext 302

Address: PO Box 9470, Ketchikan, AK 99901

Email: dward@akship.com

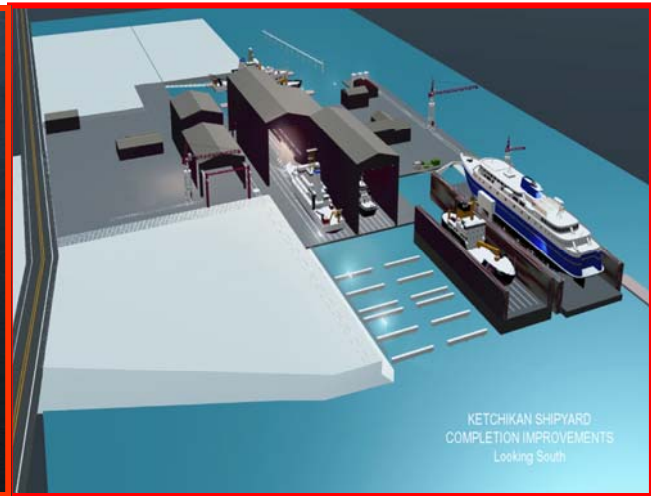
Has this project been through a public review process at the local level and is it a community priority? ☒ Yes ☐ No

THE COMMUNITY OF KETCHIKAN

THE KETCHIKAN SHIPYARD EXANSION & IMPROVEMENT:

Project History: Planning to establish a viable shipyard enterprise at the state owned Ketchikan Shipyard began in 1976. Subsequent feasibility, engineering and operating plans describe shipyard components that are essential to establishing an enduring shipyard enterprise. Many of the essential components have never been constructed. The shipyard opened in 1985 and marine infrastructure requires correction of deferred maintenance.

Funding Request		
	State	Match
Electric Generation & Distribution	\$1,000,000	\$500,000
Wastewater System	\$500,000	\$500,000
Deferred Maintenance	\$1,500,000	
Totals	\$3,000,000	\$1,000,000



PROJECT STATUS:

Planning, engineering, and operating documents identify the following project components and costs necessary to successfully operate and maintain the Ketchikan Shipyard.

- 1. Shipyard Electric Generation and Distribution Capacity:** An electrical energy generation and distribution system is required to efficiently provide power to the shipyard's large electric load centers and to mitigate negative impacts on the electrical utility. Other federal funds of at least \$500,000 that are authorized for shipyard expansion and improvement will be used as match to this \$1.0 million request.
- 2. Wastewater Treatment Capacity:** The US EPA and ADEC will require installation of an industrial wastewater discharge collection and treatment system to continue operation of the state-owned Ketchikan Shipyard. Total costs for a collection and treatment system will exceed \$1.0 million. This request is for \$500,000 in general funds to use as match for \$500,000 EPA grant and other federal sources.
- 3. Deferred Maintenance of Shipyard Infrastructure:** After 27 years of operation, an estimate \$1.5 million is required to refurbish Drydock #1 and other civil marine structures and equipment. These are non-routine, capital maintenance refurbishments.

